

## CROSSCUTTING MANAGEMENT INITIATIVES

### OVERVIEW OF FSA MANAGEMENT INITIATIVES – BPMS MANAGEMENT SCORECARD

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To make sure the infrastructure is in place to achieve its strategic goals and objectives, FSA is implementing management initiatives to better align its internal capabilities with Agency responsibilities, mission, vision, strategic goals, and objectives. This section of the Plan describes each of the following:

- **Enhancing Outreach and Partnerships**
- **Ensuring Civil Rights**
- **Strategically Managing Human Capital**
- **Improving Strategic Accountability**
- **Improving Business Process Effectiveness**
- **Improving Stakeholder Satisfaction**

Internal and external stakeholders identified these areas as most critical during FSA's many discussion sessions.

In 2004, FSA developed a Management Scorecard with performance measures designed to ensure the success of these initiatives. The scorecard holds senior managers and employees accountable for achieving key results tied to the 2005-2010 Strategic Plan as well as day-to-day program management and administration. FSA is piloting this concept within USDA to improve customer satisfaction, to better manage its workforce, and to streamline internal business processes. The performance measures in the Scorecard will link all FSA employees, including those in administrative or support functions, directly to this Plan. The Scorecard will be combined with other assessments to determine the success of FSA programs. These assessments may be conducted within USDA (e.g., Office of the Inspector General (OIG)), or externally (e.g., Government Accountability Office (GAO)).

## ENHANCING OUTREACH AND PARTNERSHIPS



**An FSA Loan Officer works with a new immigrant producer.**

Operating alone, FSA cannot reach its Strategic Goals. The Agency's success depends, at least in part, on effectively managing its traditional partnerships and relationships, and creating new partnerships with farmers, ranchers, bankers, agricultural trade organizations, and a host of private sector and public institutions, as well as non-profit, community- and faith-based organizations (see Figure 8). FSA continuously nurtures its partnerships, large and small, because the Agency's partners significantly contribute to its mission of strengthening the U.S. agricultural sector.

FSA began developing partnerships soon after it was created. Over the years, the Agency has strengthened strategic partnerships by reaching out to other Federal and State agencies, local organizations, non-profit associations, and private organizations to leverage valuable resources and fulfill its mission. For example, FSA relies on NRCS to provide technical expertise to conservation program participants. NRCS employees make recommendations for conservation practices and ensure program compliance while FSA administers the financial aspects of these Congressionally-mandated programs. This partnership substantially improves the environment which benefits program participants and society at large.

To help producers improve their marketing and financial management skills, FSA partners with CSREES to hold classes and informational meetings on these subjects. FSA and CSREES also work together to host seminars, co-sponsor agricultural expos, and hold information meetings to help producers understand the benefits and requirements of new FSA programs. When the 2002 Farm Bill legislation was passed, FSA partnered with CSREES, NRCS, the National Association of State Departments of Agriculture, and many agricultural commodity organizations to hold informational "town hall" meetings to outline the provisions of the legislation and explain programs to producers and other interested stakeholders. Without these partnerships, FSA could not have reached as many producers and program enrollment would have likely been lower.

FSA's Outreach Program staff identifies and works with internal and external partner organizations and customers to overcome barriers to program participation faced by underserved farmers and ranchers. The program places special emphasis on increasing the diversity of FSA's customers by reaching out to ***new or beginning farmers and ranchers, members of racial and ethnic minority groups, and women***. An Outreach Coordinator is assigned to each State and Puerto Rico to assist customers in every locality. For the duration of this Strategic Plan, FSA will focus its initiatives to achieve the two related end outcomes identified below.

### PERFORMANCE MEASURE

- M1: Increase percentage of program participation by members of targeted groups.
- M2: Increase percentage of FSA resources and services enhanced through effective partnerships.

Outreach is the responsibility of everyone within FSA. To achieve FSA's mission, it is essential that every farmer or rancher have an equal opportunity to participate in FSA programs. FSA places special emphasis on reaching farmers and ranchers ***who are members of a racial or ethnic minority group, new or beginning farmers or ranchers, or women*** to bring them on par with other farmers and ranchers in terms of program participation and farm ownership.

FSA County Committees are instrumental in administering FSA programs at the local level. To assure that all farmers have a voice in program administration, the Agency is committed to increasing the participation of all farmers and ranchers on the FSA County Committees, with an emphasis on participation by ***new or beginning farmers and ranchers, minority producers, and women***.

FSA will enhance County Committee election outreach and communication efforts by ensuring appropriate and timely publicity to inform and remind *all potential customers* of nomination and election deadlines. FSA will also ensure that all written election materials are available and prominently displayed in county offices, disseminated in the local area, and provided to all group contacts.

FSA is equally committed to ensuring that every eligible person is informed of and given equal access to all USDA programs. To honor this commitment, FSA has deployed a new *Minority Farm Register* system as a vehicle to promote equal access to all USDA farm programs and related services. FSA's registration bank will allow the Agency to reach a broader range of agricultural producers and landowners.

The USDA *Minority Farm Register* is a database of information on minorities and others who have authorized the release of personal contact information by race and other personal data to promote their equal access to USDA farm programs and services. Participants may receive information or be contacted personally through USDA outreach efforts. USDA has received a three-year authorization for initial data collection. Further data collection requirements will be assessed and future data collections with reduced public reporting burden are likely so that the database may be kept current.

Several of FSA's partnerships are helping the Agency to fulfill its mission, achieve its strategic goals, and improve overall program delivery systems. Partnerships with other USDA agencies (e.g. CSREES and NRCS) and non-profit organizations that focus on the changing needs of the agricultural community such as Future Farmer's of America, American Farm Bureau, American Agri-Women, and Minorities in Agriculture and Natural Resources and Related Sciences link directly with the FSA's objectives of increasing program participation among members of racial and ethnic minority groups and promoting domestic agriculture.

Additionally, FSA will continue to use its partnerships to meet its human capital management objectives of addressing recruitment needs for qualified job candidates for Washington D.C., State and county offices and diversifying the Agency's workforce. In FY 2004, FSA received a government-wide service award in recognition of its efforts to help disabled individuals in rural America obtain meaningful employment. The award recognized FSA's support of the Javits-Wagner-O'Day (JWOD) Program, whose participating organizations provide jobs for blind and severely disabled citizens. FSA will continue to partner with the Department of Labor and participate in the JWOD Program to meet its workforce and procurement needs.

FSA is also a key partner in USDA's Agricultural Mediation Program, which helps resolve many disputes raised by program participants including issues related to: farm loans, price support programs, disaster programs, wetland determinations, conservation compliance, and CRP eligibility and payment limitation. Most of the 32 certified State mediation programs working with FSA also provide mediation training and consulting services to producers, lenders, and other USDA agencies. FSA's mediation program is growing because it works for the participants and the Agency. In FY 2005, it is anticipated that more than 4,800 customers will turn to mediation to resolve their issues. In response to this demand, FSA's Outreach Program staff has made specific efforts to expand mediation services in the Southeast. In the future, FSA's efforts will focus on encouraging 1890 and 1994 Land Grant Colleges and Universities to become certified to provide expanded mediation programs for farmers and ranchers.

FSA's partnerships also benefit the American public. Many FSA Service Centers are sites for local farmers' markets, which provide outlets for producers and a supply of fresh fruits, vegetables, herbs, and other agricultural products for local residents. FSA also partners to deliver humanitarian aid to needy consumers. During FY 2004, FSA started the *National Non-profit Humanitarian Initiative* to donate surplus nonfat dry milk (NDM) to non-profit, faith- and community-based organizations (CBOs). Partnering with faith-based and CBOs to provide a healthy food staple builds on the Government's current *Faith-Based and Community Initiative*. Since the beginning of the program, FSA has provided NDM to more than 70 qualified non-profit charitable organizations, including many that do not currently participate in the distribution of USDA commodities. These CBOs have distributed the product to hundreds of local organizations in almost every State, which in turn, have distributed the product to individuals and families in need. This donation program is expected to continue in future years and will likely benefit thousands of hungry people throughout the U.S.

FSA also provides surplus CCC stocks of NDM to livestock producers in drought-stricken areas. FSA offers the surplus NDM, which is neither intended nor destined for human consumption, at a nominal cost to livestock producers through a partnership with State governments, the U.S. Drought Council, and local feed dealers. This feed alternative is made available to producers in areas hardest hit by prolonged drought.

FSA partners with many different organizations and, in FY 2005, will develop a more complete list of its partnerships in order to evaluate their effectiveness. FSA plans to develop the tools needed to systematically and objectively evaluate the merits of its partnership agreements, and will work with its partners to determine best management practices that can be emulated in developing new mission-related partnerships.

STRATEGIC GOAL 1 SUPPORTING PRODUCTIVE FARMS AND RANCHES	STRATEGIC GOAL 2 SUPPORTING SECURE AND AFFORDABLE FOOD AND FIBER	STRATEGIC GOAL 3 CONSERVING NATURAL RESOURCES AND ENHANCING THE ENVIRONMENT
<ul style="list-style-type: none"><li>• Private and Cooperative Lending Institutions</li><li>• Land Grant Universities/Cooperative State Research and Education Service (CSREES) (i.e., Cooperative Extension Service)</li><li>• State Agriculture Finance Programs</li><li>• Risk Management Agency (RMA)</li><li>• Bio-based Products and Bioenergy Coordination Council</li></ul>	<ul style="list-style-type: none"><li>• Foreign Agriculture Service</li><li>• USAID</li><li>• Food and Nutrition Service</li><li>• Agricultural Marketing Service</li><li>• National Association of State Departments of Agriculture</li><li>• National Grain and Feed Association</li><li>• Electronic Warehouse Receipt Providers</li><li>• National Cotton Council</li><li>• American Peanut Shellers’ Association</li><li>• North American Millers’ Association</li></ul>	<ul style="list-style-type: none"><li>• Natural Resources Conservation Service (NRCS)</li><li>• NRCS’ Resource Conservation and Development Councils</li><li>• Research Partnerships with Universities/U.S. Geologic Survey/Non-governmental Organizations</li><li>• Department of the Interior – U. S. Fish and Wildlife Service</li><li>• Bureau of Land Management</li><li>• Conservation Groups (e.g., Ducks Unlimited, Pheasants Forever)</li><li>• State Soil and Water Conservation Districts</li><li>• Environmental Protection Agency</li></ul>
<ul style="list-style-type: none"><li>• World Agricultural Outlook Board</li><li>• CSREES</li><li>• Animal and Plant Health Inspection Service (APHIS)</li></ul>		
INFORMATION PROVIDERS		HOMELAND SECURITY
<ul style="list-style-type: none"><li>• National Agriculture Statistics Service</li><li>• US Office of the Chief Economist</li><li>• Economic Research Service</li></ul>		<ul style="list-style-type: none"><li>• APHIS</li><li>• Agriculture Multi-Agency Coordination Group</li></ul>
CROSSCUTTING PARTNERSHIPS		
<ul style="list-style-type: none"><li>• Service Center Partners (NRCS, Rural Development, FSA, Soil, Water Conservation Districts and CSREES)</li><li>• Rural Coalition -(26 Community Based Organizations in the U.S. and in Mexico)</li><li>• Department of Education</li><li>• Partnership Council (FSA/RMA)</li><li>• Tribal Outreach – Bureau of Indian Affairs, National Tribal Development Association, and Tribal Organizations</li><li>• Minorities in Agriculture and Natural Resources and Related Sciences</li><li>• Department of the Interior</li><li>• State Departments of Agriculture</li></ul>		

Figure 8. A partial list of key FSA partnerships

## ENSURING CIVIL RIGHTS

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Civil rights is incorporated into all aspects of FSA's programs to ensure equitable delivery of programs and services and equitable treatment of FSA customers – the Nation's farmers, ranchers, and other agricultural producers. Civil rights is also incorporated into aspects of FSA employment practices to provide a workplace free of discrimination and to enhance the diversity of the workforce through affirmative steps to recruit, hire, train, and promote employees from diverse backgrounds. This two-pronged strategy aims to ensure civil rights in both the delivery of FSA programs and the diverse make-up of employees who deliver these programs.

For this Strategic Plan, FSA has targeted three measures:

### PERFORMANCE MEASURE

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- M1: Increase the percentage of employees with measureable civil rights performance elements in their annual performance plans.
- M2: Reduce percentage of program and employment civil rights complaints filed.
- M3: Reduce the average processing time for civil rights complaints filed: program and employment.

FSA aims to ensure that all employees' performance standards provide for civil rights accountability. A key performance objective across USDA is to hold managers, supervisors, and other employees accountable for ensuring that its customers and employees are treated in accordance with USDA's Civil Rights Policy. FSA's managers' performance standards mandate that they:

- Implement civil rights program objectives.
- Integrate civil rights principles throughout its programs and operations.
- Ensure an environment free of discrimination.

For the next six years, FSA has put in place a clearly measurable element for tracking civil rights accountability in employees' performance plans. For example, FSA has developed Web-based training that all employees—managerial or non-supervisory—will be required to take and complete in the course of the next few years. The number of employees successfully completing this training will serve as the measure for increased civil rights performance of employees across FSA. The measure assumes that employees who take the Web-based training will develop civil rights awareness and sensitivity, and may be made accountable to the success of FSA civil rights goals.

FSA will also continue to use and participate in special emphasis programs sponsored by USDA and other agencies to increase the awareness and appreciation of the history and cultural backgrounds of minority groups and women. Additionally, FSA will increase the use of "alternative dispute resolution" techniques to provide quicker, more satisfactory and less costly resolution of employment conflicts.

**Employment Complaints:** FSA is committed to fair and equitable treatment for all employees and all those eligible for its agricultural support and conservation programs. Despite relatively few Equal Employment Opportunity (EEO) complaints, less than half the Federal average, FSA has established the goal of reducing formal employment complaints by at least 11 % by 2010. Although formal program complaints average only about one-half of one percent of program applicants, FSA is committed to reducing the rate of program complaints filed by at least 9 % by FY 2010.

FSA will perform 10 EEO/civil rights State Office/Service Center Management Reviews each fiscal year to help ensure State Office/Service Center compliance with applicable laws and regulations. Offices will be made



aware of problem areas and accomplishments via an exit interview at the State Office and by a final report, which also requests corrective actions to eliminate problems identified. Corrective Action Plans are submitted to FSA's Deputy Director for State Operations, where they are monitored until completed.

FSA has limited control processing time -- the determination to accept or dismiss formal complaints is made by USDA/OCR. On October 16, 2003, USDA/OCR transferred the investigation function to FSA/OCR. Therefore, FSA is currently responsible for processing informal EEO complaints and has a limited involvement in processing formal complaints through its newly assumed responsibility for investigating EEO complaints.

The Equal Employment Opportunity Commission (EEOC) requires agencies to process informal EEO complaints between 30 to 90 days. Therefore, FSA's baseline for processing informal complaints should remain the same. The baseline is to process informal employment complaints within 60-90 days, at least through FY 2004-2006, reduce it further to 55-80 days through FY 2007-2008, and eventually decrease complaint processing time to a range of 55-75 and 55-70 days, respectively, for FY 2009 and FY 2010. Efforts to reduce the 30 to 90 day timeframe should be made each year to achieve an overall reduction. For example, the reductions should be as follows: FY'04 – 30 to 90 days, FY'05 – 30 to 90 days, FY'06 – 30 to 85 days, FY'07 – 30 to 80 days, FY'08 – 30 to 75 days, FY'09 – 30 to 70 days, and FY'10 – 30 to 65 days.

EEOC requires agencies to investigate EEO complaints within 180 days from the time an EEO complaint is formally filed. Since FSA currently has responsibility for investigating formal discrimination complaints, the baseline should be established between 30 to 90 days, bearing in mind that USDA/OCR makes the determination to accept or dismiss the complaints.

Formal employment complaints are accepted, resolved, and disposed of in the Department's Office of Civil Rights. Agencies, however, share a common concern for maintaining the integrity of this EEO process. In an October 16, 2003, memorandum, Assistant Secretary for Civil Rights Vernon B. Parker transferred the formal investigation function to Agencies to reduce the inventory of EEO complaints in the system. The USDA/OCR formally administered this process. Agencies now have a tool to reduce the time required to process an EEO complaint. The FSA OCR has implemented a successful formal function and has been commended by the Department on the expedited processing of investigations of formal complaints. The Agency has been given 45 days to conduct formal investigations. Because the Agency was required to restructure operations in its inheritance of this new function, the timeframes have been difficult to meet; however, FSA's goal is to complete 80% of the formal investigations within the target period.

**Program Complaints:** In the program areas, FSA will continue to identify, assess, and address the research, education, and technical assistance needs of minority, low-income, and underserved customers. Outreach efforts will include establishing partnerships with minority-serving institutions, community-based organizations, and other agencies to provide information on FSA programs and County Committee elections, and to improve service delivery to underserved populations.

FSA will increase the use of "alternative dispute resolution" techniques, such as the USDA Certified State Mediation Program to achieve satisfactory resolution of program issues as quickly as possible and at the lowest possible level. FSA enters mediation to explore all available options to help agricultural producers, their creditors, and other persons directly affected by USDA actions to resolve disputes and reduce costs associated with administrative appeals, litigation, and bankruptcy. Many clients of the State Mediation Programs come by way of referrals from community assistance counseling organizations and community hot line contacts. An effective USDA Certified Agricultural Mediation Program continues to require the support and cooperation of State government officials and USDA affected agencies, agricultural producers, creditors, mediators, FSA National Office, State, and County personnel. Meeting the target for cost per case will be a challenge because costs for mediation services continue to rise, partly because of additional training required to become knowledgeable in other program areas now covered by this program. However, mediation remains a cost-effective alternative to traditional litigation and appeals.

FSA does not dissuade customers or employees from filing discrimination complaints. FSA can educate its employees and customers about FSA programs and avenues of redress outside the discrimination process. This is achieved through newsletters, public service announcements, training, and meetings with customers, advocacy groups, employees, agricultural businesses, and community and civic leaders.

FSA has limited control over processing time on for program complaints -- the determination to accept or dismiss program complaints is made by USDA's Office of Civil Rights (OCR). However, FSA/OCR is required by USDA/OCR to conduct a fact-finding inquiry and prepare an agency position statement (APS) within 24 days.

FSA has 20 to 24 days to conduct a fact-finding inquiry and to prepare an agency position statement. FSA will achieve this 24-day goal through a partnering agreement with OCR in Montgomery, Alabama, which carries out the inquiries that produce a fact-finding inquiry report, and the National Office at Washington, DC, which prepares the Agency position statement for each case. The need for FSA to interview the complainants in the fact-finding inquiry stage has been eliminated, making the 24-day timeframe manageable.

FSA will expedite the delivery of complaints to the investigative unit via faxes with a follow-up letter. The investigative unit has 14 days to complete the report and have it back to the compliance and analysis unit. FSA will achieve this goal and will make efforts to further reduce this processing time as indicated.

## STRATEGICALLY MANAGING HUMAN CAPITAL



**Administrator Little recognizes the hard work of FSA employees on behalf of our nation's farmers and ranchers.**

A team of, customer-driven and results-oriented professionals will drive FSA to reach its strategic goals. More than 20,000 Federal, State, and county employees provide services to farmers and ranchers across the United States, and overseas. At FSA, strategic management of human capital ensures that the Agency has the right employees with the right skills in the right place at the right time to effectively support program goals.

With a projected 40% retirement rate over the next five years, human resources faces a huge challenge in maintaining a sufficiently skilled workforce to provide effective and efficient programs and services to America's farmers and ranchers. Emphasizing effective human capital management, FSA's senior management and its Human Resources Division have focused

efforts on reducing competency and skills needs (or gaps) of mission-critical occupations by recruiting, developing, and retaining a high quality, diverse workforce.

### PERFORMANCE MEASURE

- M1: Reduce percentage of skills gaps in mission critical occupations.

FSA will accomplish its human capital objectives by implementing the following strategies:

- Strategic workforce planning will be conducted annually to identify mission-critical occupations with skills gaps and leadership positions with continuity or succession challenges. FSA will update the rolling 5-year workforce analysis and succession plan in the second quarter of each fiscal year,
- FSA will reduce skills gaps in identified mission-critical occupations and ensure effective succession plans for leadership positions that have continuity challenges. To reduce the skills gaps and improve succession planning, FSA implemented a 5-year recruitment strategy and a 5-year training and development strategy that are based on a thorough workforce analysis. Annual recruitment and training plans will be generated from this data.
- FSA has also initiated an effort (Phase I) to tie program measures to individual employee performance plans. This will ensure that every FSA employee is held accountable for fulfilling FSA's mission. In July 2004, FSA tied the performance of Senior Executives, GS-15, and GS-14 managers to the Plan. Subsequently, these senior managers have begun Phase II of this effort, with the goal of linking 100% of FSA employees' performance plans to mission and program results in FY 2005.



**PERFORMANCE MEASURE**

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- M2: Reduce average processing time to fill vacancies.

FSA will continue to reduce the average cycle time to fill vacancies. The Agency implemented a Web-based system, *Quick Hire*, in 2002 to streamline the hiring process. A 20% reduction in processing time was realized in the first year. FSA will implement additional systems to further reduce vacancy cycle time.

**PERFORMANCE MEASURE**

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- M3: Increase percentage of employees that meet the homeland security training standards.

FSA will increase the percentage of employees meeting the homeland security training standards through USDA's *Ag-Learn* online computer training system which makes the training available to employees 24 hours a day, 7 days a week. Increasing the availability of these mandated training modules and using the accompanying tracking system will ensure that FSA employees comply with the training requirements in a timely manner.

FSA continues to manage several initiatives to strengthen its workforce helping it meet its strategic goals. Accordingly, Agency management is concentrating building an effective, diverse, and results-oriented workforce by focusing on workforce planning, organizational alignment, leadership continuity, and succession planning.

## IMPROVING STRATEGIC ACCOUNTABILITY

FSA promotes sound financial management through leadership, policy, and oversight. In 2003, FSA again displayed its financial leadership by obtaining an unqualified (clean) audit opinion for the second consecutive year. A clean audit opinion is indicative of sound financial management policies and procedures. It assures the public that financial statement data are reliable, accurate, and complete. This allows users of such statements to place a high degree of confidence in the information and to use the data to make informed decisions and manage resources wisely.

### PERFORMANCE MEASURE

- M1: Reduce average processing time to certify and disburse payments.

FSA will examine its accountability systems and major processes. FSA will focus on improving the average processing time for the Agency, at all levels, to certify and disburse program benefits to eligible producers. Additionally, the Agency continues to move aggressively to improve internal business processes to achieve an unqualified audit opinion every year. FSA has shown its commitment to improving timeliness by preparing and issuing quarterly financial statements on an accelerated schedule during FY 2004. Payments, receivables, and reporting processes are being streamlined by improving business practices and replacing manual tasks with automated processes. Despite its successes, FSA remains fully committed to continually improving its financial systems and processes. This commitment is embodied in its *Modernize and Innovate the Delivery of Agricultural Systems* (MIDAS) initiative.

The MIDAS initiative will improve financial performance by streamlining current processes, consolidating and integrating financial systems, and reducing internal control deficiencies. MIDAS is designed to provide reliable and relevant financial services and information that fulfill and anticipate customer needs. These systems will support basic accounting functions to accurately record and report financial transactions, and also serve as the vehicle for integrated budget, financial, and performance information that managers use to make decisions on their programs. Financial and performance management practices, such as activity-based accounting are already underway, and FSA is overhauling other systems that are more supportive of work measure/workload systems methodologies. In implementing these new practices and systems, FSA ensures that it is expending resources to measure activities, products, or services that are contributing fully to its mission and long-term vision.

### PERFORMANCE MEASURE

- M2: Reduce percentage of erroneous payments.

In accordance with USDA's effort to develop comprehensive internal controls and quality assurance processes and systems, and to comply with the Improper Payments Improvement Act of 2002 (IPIA), FSA has established a new performance measure to help ensure that program payments are accurate and complete. The IPIA requires agencies to review their programs and activities annually and to identify those susceptible to significant improper payments. The IPIA expanded this effort by requiring Agencies to institute a systematic method of determining their programs' susceptibility to issuing erroneous payments. During FY 2004, FSA teams coordinated Erroneous Payments Risk Assessments for various FSA, Foreign Agricultural Service and CCC programs that included Purchases, Processing, Storage, Transportation, Bioenergy, Export 416 Ocean Transportation, and McGovern-Dole Food for Education Grants.

The dollar amount and percentage of erroneous payments by FSA, CCC, and FAS programs or budget activities will be used as performance indicators to identify areas at significant risk for erroneous payments in a given fiscal year. The joint program and financial review teams have completed 33 of 35 risk assessments scheduled for FSA, CCC, and FAS. Almost all the completed risk assessments have a summary risk rating of “low.” None have been identified as “high” risk for making erroneous payments of \$10 million or more and 2.5 percent of the program’s payments in a given fiscal year. The two pending risk assessments involve NRCS: the Wetlands Reserve Program and the Agricultural Management Assistance Program.

#### PERFORMANCE MEASURE

- M3: Increase percentage of program results and budget requirements that are linked to the FSA Strategic Plan and fully costed.

FSA has fully costed major program areas identified in the Plan. FSA will implement full cost accounting in a more refined, automated, and integrated way in phases. The following phase targets have been established for the full cost accounting of all programs: FY 2005: 10%, FY 2006: 50%, FY 2007: 60%, FY 2008: 70%, FY 2009: 80%, and FY 2010: 100%.

As part of BPMS, FSA has assembled a Performance and Cost Management Task Force composed of employees from our National, State, and county offices. The Task Force is providing feedback on decisions that will impact the implementation of BPMS, which includes a cost management project. BPMS is designed to transform FSA into a more performance-based, customer-driven, and results-based organization. As subject matter experts in FSA products and services, Task Force members will provide input into the development of a single Agency-wide activity-driven business model and data collection system for use in budget formulation and decision support. The Task Force will also do the following:

- Define a new data collection process and review options for improving data collection systems.
- Facilitate change and communications in its respective functional areas.
- Prioritize implementation and make recommendations to shape future data collection processes and systems.

#### PERFORMANCE MEASURE

- M4: Increase the percentage of adverse decisions resolved internally.

In 2003, FSA began an initiative to resolve more adverse determinations and program disputes within FSA. The resolution of adverse determinations is thought to generate savings in monetary and non-monetary resources for both program participants and for the Federal government. FSA anticipates that resolving a higher percentage of adverse determinations within FSA would result in a correspondingly smaller percentage of program participants who file appeals within the USDA National Appeals Division (NAD), thus translating to fewer cases resulting in litigation. The NAD appeals process is considerably more costly, time consuming, and formal than the FSA appeal process.

To facilitate this approach, FSA has drafted regulations to replace the current interim rule governing appeal procedures. The new regulations (an interim rule with a request for comments) are currently in clearance. The new regulations will clarify FSA’s appeal process to avoid confusion that leads to unnecessary appeals. It will also put into place regulation policies currently used by FSA but that are only procedural in nature. Most importantly, the anticipated regulations will provide a new process to allow participants who receive determinations that are initially deemed to be not appealable to request an appealability review by the

appropriate FSA State Executive Director. At present, the only option available to such participants is to request an appealability review by the NAD Director. If the NAD Director determines the decision is appealable, the request is referred to a NAD hearing officer for scheduling a hearing, virtually foreclosing any opportunity for resolution within FSA. The new regulations would allow program participants additional opportunities for dispute resolution within FSA.

#### PERFORMANCE MEASURE

- M5: Increase percent of material weaknesses that are corrected on schedule.

Material weaknesses are deficiencies in management controls that FSA leadership determines to be significant enough to be reported outside of USDA. These weaknesses are determined through internal control self assessments, conducted under the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

Management controls are an integral part of all programs, financial, and administrative operations, and include the plans, methods, and procedures used to meet the Agency's mission, goals, and objectives. Effective management controls provide reasonable assurance that the following objectives are being met:

- Obligations and costs comply with applicable laws.
- Funds, property, and other assets are safeguarded against waste, loss, or mismanagement.
- Revenues and expenditures are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over assets.

FSA will compare the actual completion date to the target date for correcting material weaknesses reported under FMFIA. In FY 2004, FSA identified four material weaknesses that it must correct in FY 2005.



**BPMS Core Team Recognized at Administrator's Honors Awards Ceremony in August 2004**

## IMPROVING BUSINESS PROCESS EFFECTIVENESS



Employees at a USDA Service Center in Virginia.

Modernizing FSA's IT and commodity inventory systems will help the Agency to meet the challenges of the future and respond promptly to customer demands. Modernization will also help to minimize homeland security vulnerabilities and enable field offices to mobilize resources around program demand, regardless of their physical location. FSA is collaborating with its USDA Homeland Security Office to develop food safety and security strategies and to conduct risk assessments for commodity operations and related programs. The Agency is working with USDA to implement measures to manage and protect USDA commodities and loan collateral. FSA is also evaluating the possibility of replacing or upgrading current inventory systems to

promptly provide the critical data necessary to minimize security risks. In addition to training all employees on incident management, the Agency is coordinating with the Office of Procurement and Property Management to obtain appropriate security classifications for all FSA employees and contractors involved in determining commodity suitability and safety.

### PERFORMANCE MEASURE

- M1: Increase percentage of internal business processes that are streamlined systematically.

FSA is intent on making use of technologies to find new ways to sharpen its internal business procedures. The Agency needs to improve its CCC and procurement administrative procedures, and to update the dissemination of directives to its field offices. FSA has started a series of technology-based initiatives to achieve this goal. By 2006, FSA will rely on a set of core processes to conduct electronic government transactions with the public and USDA Service Centers. The Agency is seeking to expand the role of FSA's Information Resource Management (IRM) Review Board. To this end, the Agency is adopting a single method and an organizational sponsor for setting priorities and implementing continuous improvement projects.

FSA will follow Federal and USDA-defined enterprise architecture solutions to enable its electronic government delivery channel. FSA is already implementing USDA's e-Authentication service and enterprise solutions for geospatial data. The Agency is also using the infrastructure and core software applications of the Common Computing Environment (CCE). FSA plans to formalize and implement industry standard best practices for software development, which will ensure conformity with enterprise architecture principles and methods. If work flow in the Service Centers defines the steps by which the public accesses and initiates Web-based services, rather than having Service Center employees oversee the process, then one consolidated, modernized, Web-based IT system could be deployed to replace the existing single purpose computer systems (i.e., the IBM System 36/AS 400 platforms). Such reengineering applied to the Farm Programs IT portfolio would help modernize the exclusively customized legacy software used for the business process. Sources of common data for the Agency would cross boundaries with program delivery as data would be served via common web services. FSA selected this approach because Farm Loan Programs modernization depends on adopting standard commercial-off-the-shelf (COTS) packages. Updating the Commodity Operations is tied to multi-government agency procurement or the development of a Web-based supply chain management concept. Delivering Service Center programs in FSA's IT portfolio are the target for the *Modernize and Innovate the*

*Delivery of Agricultural Systems (MIDAS) initiative.* The initial phase of the MIDAS initiative must cover the migration of all FSA applications from the Service Center legacy platform.

FSA is in the process of defining a consistent, formalized system based on a unified process. Managers and staff will receive training in the process and its tools before roll out of the system by December 2005. The idea of a single service sign-on through a common Web-based authentication and authorization system became USDA's eAuthentication (eAUTH) solution. Farm Loan Program business processes and COTS software tools will mirror those used by lending partners. Customers and Service Centers will be linked to USDA's Customer Statement for consolidated reporting of earned program benefits. Furthermore, FSA will centralize program administration data for improved monitoring. Centralized data will enable eAuthenticated customers the freedom to conduct business with the Agency from locations that are convenient for the customer. The modernization of FSA's Commodity Operations will capitalize on these concepts through multi-government agency procurement or development of a Web-based supply chain management concept.

USDA's eAuthentication is already providing Service Center Agency customers the ability to conduct business with any USDA agency with a single sign-on. In partnership with Service Center Agencies, FSA has implemented the Representative Link Manager System (eREP) to allow for individuals with an eAUTH account to conduct electronic business on behalf of an entity such as a corporation or joint venture. FSA has also implemented an Extensible Authorization Service (EAS) to further expand the portability of granting authorizations within FSA Web-based applications. In FY 2004, FSA added 31,000 customers through the eAUTH process and the web usage of its programs is climbing regularly at 1,500 to 2,000 new users per week.

#### PERFORMANCE MEASURE

- M2: Increase percentage of transactions completed through a Web environment.

During the next six years, FSA will increase the percentage of transactions completed by way of the Internet. During 2003, FSA began an initiative that consolidated loan servicing functions such as billings and mass mailings. The Agency is also implementing an interactive voice response system that will handle routine information requests from borrowers to improve accessibility for customers and reduce FSA response time.

This is a challenging transition. National Agricultural Statistics Service information indicates that few customers are prepared to conduct electronic business transactions. In many areas of the United States, high speed access to the Internet remains an issue for FSA customers and clients. As FSA continues to deploy up-to-date Web-based delivery of programs, education, and customer support to those customers ready to fully convert to electronic commerce transactions, servicing customers by traditional program delivery (e.g., face-to-face interactions) will continue to be an Agency requirement.

In FY 2001, FSA implemented the Service Center Information Management System (SCIMS) for customer name and address services. This shared Web-based application has been successfully implemented to share common name and address information across multiple platforms with partner agencies. This application is the foundation on which USDA's enterprise initiatives, including the eAuthentication initiative, SCA partner applications, and the USDA Customer statement, are leveraged.

SCIMS was fully deployed in FY 2002, the year Congress passed the *Farm Security and Rural Investment Act of 2002* that required FSA to redirect the business sponsors and IT resources to delivering the new Farm Bill.



During this period, FSA launched a number of new programs including:

- Direct and Counter-Cyclical Payments,
- Quota Peanut Buyout,
- Milk Income Loss Contracts, and
- Trade Adjustment Assistance.

Based on the program implementation date, some applications were deployed on the legacy system while other applications were developed as Web-based applications. As the Farm Bill was completed, resources were re-committed to migrating legacy IBM System 36/AS400 applications.

Since that time, FSA has made major strides in furthering migration from the legacy system to the central Web-based platform. In FY 2002, eFunds Control was implemented at the Administrator's direction to provide mandatory fund control capability for legacy and new Web-based program delivery systems generating financial disbursements. In FY 2004, Financial Services and the National Payments Services were implemented to support the Web-based, transactional delivery of program payments. Additional financial services are required by program delivery systems to support collection and debt capabilities.

FSA's shift to Web-based, centralized applications meets the dual needs for FSA business delivery and the President's Management Agenda for electronic government applications. Web-based centralized applications provide increased functionality, making it easier for Service Center employees to provide services to customers. Access to nationwide information is available to provide one-stop-service. Additional functions can be automated to free employees from manual research and control of information for multi-county customers. Data is centrally available to fully automate business rules for payment limitations, eligibility, and other functions that require nationwide data access. The strategic modernization to Web-based applications also provides FSA the capability to leverage software applications that will provide employee capability to service customers and direct customer access to participate in E-Gov services.

FSA recently began using cutting-edge technology for a number of E-Gov initiatives such as:

- **Modernize and Innovate the Delivery of Agricultural Systems (MIDAS)** – The MIDAS strategy relies on the open and portable reuse of application software. SCIMS *Name and Address* database was an early example of this approach as it enabled partner agencies to share information across multiple platforms. This application has also been used successfully to support USDA initiatives such as eAuthentication, SCA partner applications, and the USDA Customer statement. The MIDAS project will modernize the current technology infrastructure and significantly improve the delivery of conservation, income support and disaster assistance programs, reducing cycle time to process and disburse CCC payments to eligible agricultural producers.
- **eForms** - eForms provides an electronic alternative forum for customers to access FSA forms and account information, and to complete and submit documents electronically, resulting in a more customer-centered FSA.
- **Geographic Information and Global Positioning Systems (GIS and GPS) Technology** – In collaboration with other USDA agencies, FSA is implementing GIS Global Positioning Systems technology. This technology will help FSA to more efficiently measure land features, identify crop types, and establish maps for farm records. The result is more accurate records of farmland availability that allow for more accurate predictions of crop production.
- **Electronic Loan Deficiency Payments (eLDP) and Warehouse Receipt System**– The eLDP is a major public-facing E-Gov application that provides the producer the capability of completing the eLDP process in a totally electronic manner from a residence, workplace, or other convenient location. The application is engineered as portable and open to the extent that both the internal employee-driven service process and the electronic-driven producer process will be supported by the same software application. The process has

been reengineered to require a minimum of effort and data entry at the time a transaction is initiated. This will provide a streamlined process for customers' direct access and improve efficiency for employee service to customers implementing transactions through USDA Service Centers. FSA has also activated an electronic warehouse receipt system, which facilitates low-cost commercial and interstate trade of agricultural commodities. This will enhance tracking of U.S. agricultural commodities, and reduce the costs of commercial and interstate trade.

- **Farm Business Plan (FBP)** – This software package replaces the old Farm and Home Plan (FHP). The FBP is a Web-based financial/credit analysis software package capable of originating, processing, and servicing agricultural loans. The data are stored centrally, allowing field employees to service applicants any time and any place. The system supports the Federal Electronic Signatures in Global and National Commerce Act and provides the capability for data management reporting, including individual benchmarks, forecasting, and shocking model. When the Plan is authorized and fully operational, FSA plans to encourage customers, producers, lenders, and producer-support entities to access the system for entry of data and retrieval of status/report information.

Although FSA is deploying a number of e-business strategies, the Agency is sensitive to the fact many producers are not readily willing use new technologies for a variety of reasons. Additionally, as many FSA processes were put into place before the many new advances in e-business opportunities, many counties have not retired current technology and are challenged to operate in a dual environment of old and new processes and procedures. Nevertheless, these initiatives, and other e-business strategies, will improve customer service and reduce annual costs to American taxpayers.

#### PERFORMANCE MEASURE

- M3: Increase percentage of total contracts that are performance based.

In accordance with Departmental directives, FSA is working to increase the percentage of performance-based service contracts. Under such contracts, the contractor is given the scope of the work to be performed and the Agency's desired outcomes, and is left to use its own ingenuity and initiative to achieve these results. Failure to achieve based on pre-determined standards usually results in reduced payment to the contractor. This is distinct from the former method of government contracting, which required contractors to complete specific steps to accomplish tasks perpetuating inflexible methods of accomplishing a goal. USDA has set a department-wide goal of 50% for this initiative. This measure supports USDA's goal by committing FSA to increasingly ambitious targets.

**PERFORMANCE MEASURE**

- M4: Reduce or maintain the average processing time in announcing marketing assistance loan program rates.
- M5: Increase the percent of cost benefit analyses prepared on time.

The annual computation and release of county loan rates for wheat, feed grains, oilseeds, and pulses is a cross-functional area effort, involving FSA leadership and staff. Each group's contributions to this effort are identified below.

Under Secretary's Office	Review and approval
Administrator's Office	Review and approval
Economic and Policy Analysis Staff	Development of options, methodology, computation, presentations, and review
Deputy Administrator for Commodity Operations Division	Review and adjustment recommendations
Deputy Administrator for Farm Program Division	Review and Website posting

The regular involvement of FSA leadership and staff, the complexity of the potential customer-related issues, and the multitude of computational steps, computer applications, and databases involved in the county loan rate calculation process has led to the establishment of annual timelines and milestones.

Processing time will be improved by continuing to closely monitor local market price changes and issues that may relate to the geographic relationships of county loan rates, by reducing the anticipated processing time in each successive annual timeline, and by seeking to meet or beat the established milestones. Accomplishing the latter will be achieved by improving process and data source documentation, by standardizing and generalizing custom application software, and by reducing review and approval times.

## IMPROVING STAKEHOLDER SATISFACTION

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The Satisfaction Index will measure Agency success in managing key relationships with three major stakeholder groups: employees, partners, and customers. Our objective is to examine satisfaction related to areas such as the employee engagement, quality of program output, and effectiveness of partnerships to deliver mission results. We are considering gathering performance data for the Satisfaction Index from a number of sources, including but not limited to surveys and focus groups.

To manage its business processes more effectively, FSA will track the percentage of processes streamlined, the percentage of transactions completed via a Web environment, and the percentage of performance-based contracts. To determine if we are performing effectively in all areas, FSA will use a Satisfaction Index to take a 360-degree look at how the Agency delivers its products and services to the public and how it interacts with internal and external customers. The Agency is exploring the American Customer Satisfaction Index (ACSI) model, a well-established approach used as a performance management tool in some public agencies. The ACSI model is a set of causal equations that link customer expectations, perceived quality, and perceived value to customer satisfaction. FSA is reviewing survey research conducted within the last five years, such as the Customer Service Comment Card Pilot Program described below, to determine the appropriate scope and methodology for developing our Satisfaction Index.

**Customer Service Comment Card Pilot Program (CSCC)** - FSA scientifically selected 55 local FSA offices in 30 States to participate in this voluntary CSCC pilot program. The program provided comment cards in English and Spanish. The pilot program operated from September 2004 and ended on October 31, 2004. The CSCC pilot was designed to test a draft format of the comment card and to permit pilot assessment and public collection notices prepared for a National implementation of the program. Customers used the cards to rate FSA's service, response time, courtesy, program knowledge, and to provide comments about issues of concern to them. Customer comments were unsolicited. Those who opted to participate submitted the comment cards anonymously, however some chose to provide contact information so that FSA could directly address their concerns. All customers who visited FSA's participating county offices prior to October 31, 2004 were made aware of the program and given the opportunity to participate.

Four hundred forty-eight people in 42 counties in 29 States returned comment cards postmarked by October 31, 2004. Approximately 61 percent of the comments received were from seven of the 29 States (Kansas, Montana, Idaho, Virginia, New York, North Dakota, and South Carolina). Most of the 251 people who provided written comments primarily shared their views on the quality of service. A smaller number of customers offered suggestions about Farm Service Agency programs and program administration. Preliminary results show about 85 percent of respondents expressed very positive, partly positive, or neutral views about FSA. Most of the negative responses dealt with requests for more staffing.

FSA is looking into making the comment card a permanent fixture in USDA Service Centers across the Nation to ensure that customers have every opportunity to provide the Agency with feedback.